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PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1994-1995

Institutional and administrative arrangements governing the integration of UNDP/OPS in the Department for Development Support and Management Services

Report of the Secretary-General

Addendum

Financial regulations and rules to govern United Nations/OPS activities and operations

1. The Secretary-General, in his report on institutional and administrative arrangements governing the integration of UNDP/OPS in the United Nations Department for Development Support and Management Services (A/48/502), indicated the conditions under which OPS would function following its integration in the Department. Following further examination of the issues relating to the integration of OPS, in particular with regard to the Financial Rules, the Secretary-General is pleased to clarify some of the provisions contained in section VIII of that report, "Rules of procurement for United Nations/OPS that match or improve its current arrangements".

2. Paragraph 53 (a) should be replaced by: "Subject to paragraph 53 (b) below, the Financial Regulations and Rules of the United Nations shall apply to the activities and financial operations of OPS. The Secretary-General will establish special Financial Rules to take account of OPS special requirements after consultation with the OPS Management Board and with the Advisory Committee on Administrative and Budgetary Questions." Paragraph 54 is hereby superseded.

3. Paragraphs 53 (b) and (c) should be replaced by a new paragraph 53 (b): "Until such time as the special Financial Rules for OPS referred to in paragraph 53 (a) above are promulgated, Articles VI, XIV, XVI and XVII of the UNDP Financial Regulations and Rules shall apply, mutatis mutandis, to the activities and financial operations of OPS."

4. A new paragraph 53 (c) is hereby added: "Until such time as the special Financial Rules for OPS are promulgated, procurement by OPS under OPS project budgets shall be under Article XIV of the UNDP Financial Regulations and Rules, and, for this purpose, the Contracts Committee shall provide advice to the Under-Secretary-General in charge of the Department for Development Support and Management Services on procurement actions."

5. Paragraph 53 (d) remains unchanged and is provided herewith for ease of reference: "The Executive Director of OPS will have the authority to establish project procurement procedures, with the advice and consent of the OPS Management Board."

6. Paragraph 53 (e) remains unchanged and is provided herewith for ease of reference: "Procurement by OPS under the OPS administrative budget shall be under the United Nations Financial Rules and its Committee on Contracts. Broad delegation of authority, however, will be granted to the Office in order to respond rapidly to the needs of its business."